



Ms Carolyn McNally
Secretary
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Dear Ms McNally

DARLEY AUSTRALIA – SUBMISSION ON ANGLO AMERICAN'S DRAYTON SOUTH COAL PROJECT.

Darley Australia (Darley) objects to Anglo American's proposal for a new open cut coal mine at Drayton South as assessed in its second Environmental Impact Statement (EIS).

Darley's Woodlands Stud is located on the Golden Highway between Denman and Jerrys Plains. Darley Woodlands is an historic property situated on strategic agricultural land. It is within the Equine Critical Cluster in the Upper Hunter Valley.

Anglo American's Drayton South open cut coal mine proposal is located **less than 1km from Darley Woodlands' operations.**

PAC Findings

It is of serious concern to us that a second application for a mine on this site within 1km of our stud is being reconsidered when the fundamental findings of previous Planning Assessment Commissions (PACs), including the Determination PAC that refused the previous application, have not been, and cannot be, addressed.

These fundamental findings are that Anglo American's proposal for the Drayton South mine:

- **demonstrably fails** to provide the highest level of protection to the studs from mining (PAC Review Report on the Drayton South Coal Project, 2013);
- **demonstrably fails** to acknowledge that the impacts of this proposed mine will affect the viability of our operations (PAC Review and Determination Reports on the Drayton South Coal Project, 2013 and 2014);
- **demonstrably fails** to accept that a mine within 1km of our operations is not an appropriate "buffer" and remains unacceptable because, as the Determination PAC concluded, "*once the damage to the operations of the studs occurs, it is irreversible*" (PAC Determination Report, 2014);
- **demonstrably fails** to acknowledge and assess worse case scenarios, particularly with respect to the impacts of blasting, visual, noise, dust, long term water impacts, final voids and landforms – all of which were raised by the

Planning Assessment Commission in its Review Report (December 2013) and all of which will have a devastating deleterious impact on our operations and the future of the Hunter Valley's equine Critical Industry Cluster;

- **demonstrably fails** to present up-to-date, transparent, scientifically based information which enables stakeholders, communities and decision makers to independently examine the assertions made by Anglo American;
- **demonstrably fails** to provide a reasonable argument why this application should be considered when previously Anglo American has argued that a smaller mine is economically unviable (Anglo American statements and PAC Determination Report 2014); and
- **reaffirms**, as with Anglo American's previous application, that the risks associated with the proposed Drayton South mine do not outweigh the risks associated with the potential demise of the Hunter Valley's equine, wine and tourism industries. Accordingly an open cut coal mine on this site fails to take a precautionary approach and fails the public interest test (PAC Determination Report, 2014).

We submit, in the strongest terms, that the critical concerns raised by our industry and 15 experts independent of government which resulted in a refusal of the previous application for an open cut coal mine on this site are also relevant to this application.

Secretary's Environmental Assessment Requirements

In addition to the abovementioned concerns we submit that the current application demonstrably fails to adequately, comprehensively and transparently address the Secretary's Environmental Assessment Requirements for this Project.

Impacts on Darley

Should the Drayton South open cut coal mine proposal be allowed to proceed, the visual, dust, noise, vibration, health, water, environmental and reputational impacts this proposal will have on our operations, and on the operations and reputation of other studs in the area and our entire industry, will be devastating.

This proposal represents a textbook case of an utterly incompatible land use.

Consistent with our previous submissions, Darley reasserts that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in such close proximity to a coal mine.

In addition to impacts on Darley, Anglo American's proposal for an open cut coal mine at Drayton South will jeopardise many hundreds of jobs associated with our industry and irreversibly damage our landscape and the economic diversity of our region.

This one mine will put at risk entire sustainable industries and will result in a net economic loss to the NSW economy. As previous PACs have found, this is clearly not in the public interest.

Consultation

There has been no genuine consultation with Darley in the development of this EIS.

There are serious and irreconcilable internal inconsistencies and flaws in the materials forming part of the EIS. The EIS lacks transparency and relevant information to enable appropriate scrutiny. Consequently Darley has not been afforded a proper opportunity to assess the impacts of this mine on its operations and therefore its future viability.

Conclusion

A decision in favour of a mine on this site would completely undermine confidence in the previous planning assessment process and would unequivocally signal that the NSW Government is prepared to disregard the overwhelming body of evidence that has already been submitted to, and relied upon by so many independent experts in their unanimous rejection of earlier proposals.

Importantly, a decision in favour of Anglo American's Drayton South proposal would also signal that the Government is prepared to sacrifice our industry for the sake of one relatively short lived open cut coal mine that a previous PAC has determined is clearly not in the public interest.

Given the issues raised in this letter and accompanying submission, the Department should recommend rejection of Anglo American's second application for an open cut coal mine at Drayton South and put an end to protracted uncertainty and the lengthy and unreasonable waste of landholder, government and taxpayer resources for consideration of a project that is clearly not in the public interest.

Darley strongly objects to this open cut coal project. Should Anglo American's second application for the proposed Drayton South open cut coal mine proceed Darley will be forced to reconsider its commitment to its operations in NSW.

The attached submission provides information on Darley's operations in Australia and specific objections to this EIS.

This is the fifth submission that Darley Australia is making on Anglo American's application for a mine on this site. Many of the points that we made, background that we provided, and concerns that we raised in our previous submissions to two PACs and the Department of Planning (respectively 18 January 2013, 3 October 2013, 3 June 2014, 8 September 2014) remain relevant and should be read in conjunction with this submission.

This EIS brings nothing new to the propositions which have already been rejected.

We reserve our position in respect to the making of further submissions in respect to this Drayton South proposal.

We submit that the Department not support the proposal and it should recommend against approval.

Yours sincerely



Mr Henry Plumptre
Managing Director



Mr Ross Cole
Director Corporate Services

Darley Australia

Darley is HH Sheikh Mohammed bin Rashid Al Maktoum's global breeding business, one of the two largest in the world, which operates in six countries, including Australia's Hunter Valley, Newmarket in the UK, County Kildare in Ireland, Kentucky USA and Hokkaido, Japan and more recently China. HH Sheikh Mohammed is ruler of Dubai and Vice President of the United Arab Emirates.

Darley established its commercial breeding operation in the Hunter Valley in 2001 in recognition of Australia's growing force in international thoroughbred breeding and racing.

In 2003 Darley Australia purchased the 1,700 acre Kelvinside Stud in Aberdeen in the Hunter Valley. The property has since been developed into a world-class facility with capacity to stand 18 stallions, comprehensive mare and yearling facilities and more recently a world class education and breaking operation.

In 2008 Darley purchased Australia's largest integrated breeding and racing operation, Ingham Bloodstock, which included the 6,500 acre Woodlands Stud at Denman. In addition to its Hunter Valley farms Darley operates a Victorian breeding operation from its stud Northwood Park, at Seymour Victoria.

Darley also owns and races in excess of 500 horses from its two training bases in Western Sydney and Victorian training base at Flemington racecourse in Melbourne, Victoria. It is estimated that Darley's ownership of elite thoroughbred racehorses amounts to approximately 10 per cent of all racehorses trained in metropolitan Sydney.

Darley employs up to 400 people in Australia, including up to 150 in the Hunter Valley across its two stud farms. These include horse handlers, bloodstock experts, gardeners, and others working in corporate functions including administration, finance, human resources, IT, and marketing and sales.

Woodlands was settled in 1824 and it is believed that the current homestead was built in 1833. Significantly Woodlands' first recorded association with thoroughbreds dates back to the 1870's under the ownership of H.C. White, who bred and raced thoroughbreds, the most prominent of which was dual Caulfield Cup winner Paris in 1892 and 1893.

Since then it has been operated as a thoroughbred stud by notable industry participants including George Ryder (founder of the Golden Slipper), Lord Derby and the Ingham brothers.

These significant and historic land uses well predated any open cut coal mining in the District and have not been acknowledged in the EIS.

Champion Sires that have graced Woodlands include Yeats, Canny Lad, Exceed and Excell and Lonhro.

Champion racehorses reared at Woodlands include Octagonal, Golden Slipper winner Marscay, and notably Golden Slipper winners and Champion 3 year olds Pierro and Sepoy. This year's unbeaten Golden Slipper winner, Vancouver, was sired by Darley's stallion Medaglia d'Oro.

Other stallions, of the 22 currently standing at Darley include Exceed and Excel (Australian Champion Sire 2012/13, pre-eminent sire of world renown Group 1 winners and first partner of Australia's Black Caviar), Sepoy (Darley bred, Australia's first world champion 3 year old sprinter, who's first season foals topped both Magic Millions and Inglis Easter sales) and Epaulette (star sprinter and second to Black Caviar when just a three year old) – to name a few.

All of Darley's thoroughbred stallions and broodmares are elite athletes. Darley bred stallions have been raised in the very best environment and developed for speed, alertness and endurance, building on the natural qualities of their wild ancestors.

It is the Hunter Valley's unique combination of clean air, fertile soils, plentiful and clean water, undulating topography and visually alluring landscape that has attracted world leading investors and investment into the Hunter Valley and a crucial reason why the Hunter Valley's critical equine industry cluster is recognised as one of three Centres of Thoroughbred Breeding Excellence in the world – alongside Kentucky in the USA and Newmarket in the UK.

Darley and Coolmore – Pivotal to the Equine Critical Industry Cluster and should be afforded Total Protection from the impacts of mining

12 Independent NSW Government experts, including 2 PACs and the NSW Gateway Panel, affirmed in their reports that Coolmore and Darley are central actors in the core business of the Hunter Valley's equine critical industry cluster. These studs are recognised as the 'epicentre' and 'pivotal' to the sustainability of the Upper Hunter Equine Critical Industry Cluster.

"More than that they are likely the most important of all central actors, as most of Australia's leading thoroughbred sires are standing at either Coolmore or Darley."
(PAC Review Report – Drayton South Coal Project – December 2013)

The conclusions reached by 15 Independent Government experts are based on the fact that Darley and Coolmore are the national and international market leaders in breeding and racing. In Australia together they command over 40 per cent of the Australian stallion market and over 50 per cent of the Hunter Valley stallion market. These two studs produce 40% of the estimated income earned from stallion fees in Australia. When compared to Australia as a whole the Hunter Valley produces 74% leaving 2% for the rest of NSW and 24% for all other states. In this respect the stand out fact remains that the two studs produce more income than all other states in Australia combined.

Darley and Coolmore are as dominant in the sales ring as they are on the racecourse (representing over 40% of the market in both). Darley and Coolmore stallion sires represent 50% of the top ten stallions in Australia. The progeny of their stallions are highly successful, highly valuable and coveted by domestic and international breeding and racing interests.

The stallion studs' operations are inextricably linked to the 150 broodmare operations clustered in the Hunter Valley and the sophisticated network of equine support industries that would not be in the Hunter Valley but for the premium stallion stud farms that have established operations in the Valley.

The Hunter Valley's breeding industry also underpins NSW's racing industry and the significant revenue, investment and tourism that NSW racing attracts (over \$2.6 billion annually from racing alone).

It is for these reasons that the PACs concluded:

*"The studs' significance to the broader Critical Industry Cluster meant **that they should be afforded total protection** from the impacts of mining." (PAC Review Report December 2013, emphasis added)*

*"On evidence, the Commission agrees that Coolmore and Darley studs are at the 'epicenter' of the thoroughbred breeding industry in NSW and Australia. They are 'pivotal' to the sustainability of the Upper Hunter Equine CIC because of their size and market share. They are the largest international scale thoroughbred studs in Australia and have economic and reputational significance to the region, NSW and Australia. The Commission supports the recommendation of the PAC Review Report and the Gateway Panel **report that both studs should be afforded the highest level of protection.**" (PAC Determination Report – Drayton South Coal Project, October 2014).*

*"Both Kentucky in USA and Newmarket in the UK have protection in place to protect the industries from incompatible developments. **Similar protection should be provided to the Hunter Valley to ensure not only the survival of the equine industry, but also allow it to further develop**" (PAC Determination Report, October 2014, emphasis added)*

The NSW Government in its Strategic Regional Land Use Policy recognised the national and international significance of the Upper Hunter's wine and thoroughbred industries and identified them for **"heightened protection"**.

It is beyond comprehension why a mining proposal with the potential to trigger the demise of the Hunter Valley's sustainable equine industry, with demonstrated flow on impacts on the viticultural and tourism industries, is being afforded a second hearing, particularly given the premises on which it was previously rejected remain valid and unaddressed and the threats to the Hunter's equine, wine and tourism industries remain real.

Objection to the EIS

Darley supports (and adopts in full) the Hunter Thoroughbred Breeders Association (HTBA) submission opposing Anglo American's second proposal for an open cut coal mine directly opposite Darley's international scale Woodland operations at Denman in the Hunter Valley.

Darley concurs with the HTBA's assessment that the EIS:

- **fails to address the Secretary's Environmental Assessment Requirements (SEARS)** – including the specific requirements relating to Agriculture, Air Quality, Noise and Blasting, Visual, Water, Heritage, Social and Economic;
- **is deficient in its analysis of the economic impacts of the proposed project.** This second application continues to overstate the benefits and understate the

costs of the proposal resulting in misleading information and conclusions relating to the net economic benefits to NSW;

- **ignores the impacts on the Hunter Valley's wine and equine Critical Industry Clusters** – in stark contradiction to the findings of 15 independent Government experts and the requirements of the SEARs;
- **is deficient in its assessment of the surface and ground water impacts of this proposal.** Significant concerns remain regarding the lack of clarity between the 'final void'; and 'spoil' water/salt balance assessments; misleading surface water assessments; lack of clarity and transparency with regard to mine plan implications for water management;
- **does not comply with the NSW Government's Aquifer Interference Policy.**
- **fails to provide a credible, detailed, accurate and up to date assessment of the likely operational noise impacts of the development;**
- **fails to adequately assess air quality impacts** and does not accurately present data, conclusions and recommendations made by its consultants;
- **is deficient, provides inadequate information and incorrectly states that the Projects will not reduce the availability of productive agricultural land – which is patently untrue;**
- **intends to clear 151 ha of critically endangered Grey Box Woodland and fails to provide appropriate biodiversity offsets;**
- **fails to address visual impact concerns voiced by our industry and recognised by previous PACs.** Preliminary expert advice suggests that the Proponent's claims that this proposed mine will have no visual impacts are incorrect as there will be a range of direct and indirect impacts on the studs and the Golden Highway (including direct and indirect visual impacts and visual impacts from dust and blast fume plumes);
- **fails to assess the cultural heritage landscape in accordance with the SEARs and NSW heritage assessment criteria;**
- **fails to assess the impacts on Aboriginal heritage** – particularly with respect to the requirements of the Burra Charter and OEH guidelines and policy for values identification and assessment;
- **fails to provide transparent, independent analysis of the environmental impact of the proposal;**
- **provides no new information, provides outdated information, and continues to present irrelevant, incorrect and misleading information on human and horse health;**

Impact of Drayton South Open Cut Coal Mine Proposal on Darley's Business

Darley reasserts that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in close proximity to a coal mine.

The EIS fails to take account of this, and more specifically:

- **fails to account** for the negative impact the proximity of this open cut coal mine (less than 1km from Darley's boundary) will have to Darley's Woodlands operations;
- **fails to address** the significant adverse visual (static and dynamic) impacts the mine will have on Darley's business operations, reputation, development potential and future investment decisions;
- **fails to deliver** on Anglo American's commitment that there will be no visual impact resulting from this open cut coal mine on our operations;
- **fails to recognise** the negative health and welfare impacts this proposal will have on the community of people who reside on the Darley property;
- **totally disregards** the significant social, agricultural and economic impact the open cut coal mine will have on our thoroughbred breeding operations and our industry as a whole;
- **makes inaccurate and misinformed judgements** about the impact of the proposed open cut mine will have on our land and valuable livestock;
- **fails to provide evidence in support of the contention that there will be no impacts on equine health, the operations of the Coolmore and Darley studs or the adoption of the precautionary principle;**
- **represents a totally inadequate and dismissive** response to Darley's concerns and future operations.

Darley has not sought in this submission to repeat the significant impacts and inadequacies of the Drayton South EIS identified by the HTBA in their submission. Darley's submission concentrates on the impacts this open cut mining proposal will have on Darley's Hunter Valley operations, its viability and its future.

Proximity to Darley

No-where in the world, other than NSW, is a mining proposal located in such close proximity to a thoroughbred breeding operation of the scale and importance of Darley's Woodlands Stud.

Currently the closest open cut coal mining operation to Woodlands is BHP's Mt Arthur coal mine. This mine is some 10 kms away from the stud farm and can be seen in the distance. It is far enough away so that its effects (visual and environmental) are tolerable.

The Drayton South open cut coal mine proposal is less than 1km from Woodlands doorstep. It will be visible throughout its entire mine life (particularly the Blakefield pit and any remaining portion of the Redbank pit).

The proximity of the mine is unacceptable and presents an intolerable situation for Darley.

Socio-Economic Analysis

Anglo American's socio-economic analysis:

- gives **no serious consideration** to, or analysis of, the impact of this proposal on our business and reputation;

- **ignores the incompatibility** of thoroughbred breeding and mining which are competitive land uses;
- **fails to include** the impact of this mining proposal on our farm productivity, land values, employment;
- **fails to recognise** the impact of this proposal to our and the thoroughbred breeding industry's economic contribution to our local, regional and state economies;
- **underestimates** the significant and long term social and environmental costs of this project;
- **fails to consider** the possibility of potential thoroughbred breeding closures as a result of this project and the impact that would have on job losses in the local, regional and state economies;
- **overstates** the benefits and understate the costs of this proposal.

In our previous submissions we submitted that:

- the economic modelling of the previous project was based on flawed assumptions, inflated coal prices and no assessment of the impacts on our industry.
 - As a consequence the benefits of the project were overestimated and the costs underestimated;
- the economic analysis presented by Anglo American lacked transparency and could not be independently verified;
- the economic analysis failed to meet the Director General's Requirements;
- the economic analysis failed to meet key NSW Government Guidelines for economic analysis issued by NSW Treasury;
- economic break-even was never reached for the project when realistic coal price projections were used;
- there was a material risk the project would result in a net economic loss to the state of NSW (of \$457m); the regional economy will be poorer by \$120m per annum and over 600 jobs in our industry alone would be in jeopardy;
- the project would more likely result in royalties to the NSW Government of less than \$15 million per annum on average.

We questioned whether the risks to our studs, the future of the Hunter Valley's equine critical industry cluster, our jobs and our environment were worth less than \$15 million a year in royalties.

Many of the same criticisms of Anglo's previous mine plan are applicable to their current economic analysis. The proposal:

- still does not comply with the SEARs or Treasury economic assessment guidelines;
- continues to overstate the benefits and understate the costs of the proposal;
- lacks transparency with respect to assumed coal prices, extraction rates, operating and rehabilitation costs;

- continues to ignore and assess the impact of the proposal on the studs; and
- does not justify why a smaller mine is now economic despite Anglo American's previous protestations that a smaller mine would not be economically or financially viable.

We submit that this revised project remains contrary to the public interest.

Adverse Visual Impacts

Our business and our entire industry hinges on the quality of our topography (soils, land, water and air quality), our image, breeding and racing performance and our reputation. Any threat to any one of those elements has the potential to undermine confidence in our product.

It is no accident that the Hunter Valley's unique physical environment in which we operate is essential to our operations. The undulating topography, fertile soils and clean abundant water alongside the visually alluring topography and landscape is critical to our business model, to breeding and rearing and racing champion athletes and attracting investment and clients.

The visual integrity of our business is highly prized, and one in which we significantly invest in. It is fundamental to marketing our product and our business success.

An open cut coal mine directly opposite Darley and within 1km of our operation is clearly incompatible with our business and our reputation as one of the world's leading thoroughbred breeding and racing companies.

As we have previously submitted, the susceptibility of our business to threats to our image and reputation are real. The Drayton South open cut coal mine brings these threats right to our doorstep.

These issues have been recognised and this EIS still fails to deal with, and overcome, these issues.

Visual Impacts - Previous PAC and Gateway Report Findings

In its December 2013 Review Report on the Drayton South Coal Project, the PAC found that:

*"The [Darley and Coolmore] properties have a unique combination of scenic, historic and agricultural qualities which lend themselves to the equine and tourism industries but could also be argued to have a significance heritage value of their own. ... **this combination of attributes is extremely difficult, if not impossible, to find elsewhere.**" (p 12 emphasis added).*

*"The landscapes of the studs are of special intrinsic scenic quality and character, historically significant and of importance to the story of development of the Upper Hunter Valley, the theme of agriculture and rural industry and the thoroughbred racing industry. **They are of special and possibly unique sensitivity to impacts on the scenic values of their settings and are highly vulnerable to direct and indirect visual impacts.**" (p17, emphasis added)*

*The Commission considered " **that the landscape of the studs and their surrounds warrants conservation and protection.**" (p 27, emphasis added)*

In its December 2013 Report the Gateway Panel found that:

“... the potential impacts of the proposed mine on the Critical Industry Clusters are significant. These potential impacts include those from dust, noise, vibration and blast overpressure, and most importantly, loss of landscape values through diminished visual amenity.” (Executive Summary, emphasis added)

“...the importance of landscape values to Coolmore and Woodlands (Darley) studs cannot be overstated; ... the proposed mine will cause significant deterioration of landscape values which underpin the Coolmore and Woodlands (Darley) stud businesses. As this threatens the viability of these two businesses in the Upper Hunter region, then the sustainability of the Equine CIC itself is threatened by the proposed mine.” (p 19)

In its October 2014 Report on the Drayton South Coal Project, the Determination PAC reinforced and restated the Gateway Panel findings that *“the potential impacts (dust, noise and blasting) of the proposed mine on the CICs are significant. The most important issue was the loss of landscape values through diminished visual amenity, which underpins the core business of both the equine and viticulture CICs.”* (p 9)

The Determination PAC concluded *“On the evidence, the Commission is persuaded that the image of ‘clean green environment’ is a critical component of the Coolmore and Darley operations in the Hunter Valley and plays a significant role in investor’s perception and confidence to invest. It is therefore an issue that must be considered. There is a significant risk that the close proximity of an open cut coal mine and the indirect and residual impacts of the mine operation will tarnish the image of the area, causing not only damage to the equine industry, but to the viticulture and tourism industries as well.”* (p 10)

Anglo American's Visual Impact Assessment

We submit that the VIA fails to adequately or appropriately deal with the visual impacts, and does not in any way correctly interpret or understand our operations or business model.

Anglo American's Visual Impact Assessment concedes that:

- *the development of the Project and more specifically the major mine components associated with it has the potential to create high direct visual effects in the context of the existing landscape ...* (p L-1)
- *Views of open cut mining areas and OEAs [overburden emplacement areas] create an initial high direct visual effect. This effect is not reduced until these areas are progressively rehabilitated.* (p L-1)
- *The direct visual effect of the transport corridor will be moderate to high* (p L-1)
- *Mining operations will have visual effects where they are visible ... Indirect effects may include dust and blasting emissions and night lighting ...* (p L-1)
- *The visual impacts of all Project components are dependent on potential views from sensitive receptors such as horse studs, vineyards, residences and highways. Of these, views from the horse studs of Coolmore and Woodlands are*

considered the most significant as are views from the Golden Highway. This includes the experience of night lighting in a view. (p L-1, L-2)

- Indirect visual impacts with the potential to occur as a result of the Project could include visible dust, blast emissions, night lighting, mine related traffic, site infrastructure and signage (p L-2)*
- ... the critical viewing locations within the VSA [Visual Study Area] were those associated with the Equine CIC (Coolmore Stud and Woodlands Stud) Viticulture CIC (Hollydene Estate), local townships (Jerrys Plains), rural residences and the main road/tourist route through the study area, being the Golden Highway (p*
- urban and rural houses, destinations of visually high sensitive lands uses eg horse studs and vineyards, designated tourist roads eg Golden Highways (sic) and commercial facilities less than 2.5 km away from the nearest visible mine area will have high sensitivity levels (Table 2.1 p L-11)*
- urban and rural houses, destinations of visually high sensitive lands uses eg horse studs and vineyards, designated tourist roads eg Golden Highways (sic) and commercial facilities between 500m - 2.5 kms – 7.5kms away from the nearest visible mine area will have high to moderate sensitivity levels (Table 2.1 p L-11)*

It also states that:

- Ongoing stakeholder consultation will be undertaken to identify any issues that arise in relation to visual impacts on surrounding sensitive viewing locations. These would be addressed through consultation with relevant parties. (p L-2)*
- ... representative viewing locations were also selected following an extensive consultation process with key stakeholders (p L-6)*

For the record, Darley has not been consulted on the preparation and development of this Visual Impact Assessment in respect of Anglo American's second mine plan.

Given that we have not been consulted at this stage of the planning process we have serious concerns regarding the genuine intention of the Proponent to pro-actively share information and consult us before serious damage is done to the surrounding landscape - a landscape which is fundamentally critical to our business, reputation and future viability.

Further we are concerned that the photomontages presented in the EIS as part of the Visual Impact Assessment do not fully reveal the total visual impact of the mine plan.

We have been not been able to access a full set of Anglo American's photomontages or their 3D visual modelling so that we can scrutinise and test the validity of the assertions Anglo American makes with respect to the visual impacts of this proposal. As such we have not been afforded the opportunity to scrutinise, examine and seek appropriate advice on the visual impacts of this mine plan – an aspect that clearly underpins our business operations and future viability.

Darley also continues to have serious doubts about the tree screening mitigation measures suggested as a basis for Drayton South's mitigation strategy. As mentioned in previous submissions, this strategy fails to recognise that there is high potential for failure.

Darley remains seriously concerned that we will be visually and operationally impacted (including for our staff, tourists and clients) from a number of key vantage points on our property, from the main route being the Golden Highway, as a result of

the realignment of Edderton Road and as a result of dust, blasting, night lighting, mine related traffic, site infrastructure and signage. This is an unacceptable and intolerable situation.

The EIS acknowledges that the Woodlands stud has been deemed to have high visual sensitivity due to the potential "indirect visual affects" of this proposed mine. We disagree with Anglo American's statements that there will be no views from mining from our operational areas. Our visual sensitivity will be impacted by both direct and indirect visual impacts associated with this proposed mine.

In our previous submission on the first Drayton South EIS we stated that the assumption made by Anglo American that Trigg Hill has low visual sensitivity and is not used as part of Darley's day to day operations is not only incorrect it misrepresented the integral nature of all areas to our total operations.

We noted that it was convenient for Anglo American to make this uninformed assertion given the view from Trigg Hill and other vantage points from our stud farm would have an unadulterated view directly into the Redbank and Blakefield pits for the entire duration of the mine. While the majority of the Redbank pit has been removed from the current mine plan, we contest that our concerns remain in respect to views into any remaining parts of the previous Redbank Pit and into the Blakefield pit.

All the land at Woodlands is developed (some more intensely than others) for thoroughbred use. Horses are rotated through all parts of the farm throughout the year to take advantage of various unique topographical, seasonal and developmental conditions. To say that any area of our stud farm is not part of our "primary" operation demonstrates a continued and complete lack of understanding of our business and therefore the impacts this mine will have on our operations and reputation.

Currently one can see the Mt Arthur coal mine operation in the distance from our stud farm. The proximity of the Drayton South open cut coal mine will not only bring the operations of Blakefield pit directly into view from our property (for the life of the mine) but will create a contiguous view of open cut coal mining stretching the entire 10 kilometres from our property across Drayton South and up to Mt Arthur. This will have a devastating impact on our investment and reputation.

Impacts on Thoroughbreds

This EIS presents no new information for this proposed mine to the previous Environmental Assessment for the mine which was rejected by the Determination PAC last year.

The current assessment of the impact of this proposed open cut coal mine on thoroughbred horses continues to be misleading and based on research that has little if any relevance to the breeding and rearing of horses on our property and throughout the Hunter region.

The assertions that thoroughbreds can live with and adapt to high levels of dust continue to be inaccurate, as are the statements that thoroughbreds can assimilate to increased noise levels.

These statements continue to misunderstand the fundamental behavioural nature of thoroughbred livestock, the nature of our operations and the conditions in which we breed and rear our thoroughbred athletes.

Darley's Future

Darley has made significant investments in major capital expenditure projects at Woodlands including:

- refurbishing the historic Woodlands Homestead;
- major staff housing and amenities;
- developing guest houses;
- major fencing and road infrastructure;
- development of pastures; and
- major irrigation upgrades.

Many millions of dollars have been and continue to be spent on these and other capital projects on the Woodlands property. Much of this (over 85%) has been spent in the local economy supporting local businesses and local employment.

Projects like the Drayton South open cut coal mine however have created significant uncertainty and place our investments, growth potential and the security of our employees in jeopardy.

Darley asserts that no reasonable person would choose to acquire, invest in, upgrade, or operate a thoroughbred breeding stud in such close proximity to a coal mine. It has independently been accepted that mining and thoroughbred breeding in such close proximity are incompatible land uses.

Should the Drayton South open cut coal mining proposal proceed, Darley will need to consider its future breeding and racing operations in NSW due to the nature and scale of the impacts of the Drayton South proposal on our business.

Darley Woodlands Community

Darley's operations are highly labour intensive. We provide stable, long term jobs for our employees, many of whom live on-farm with their partners, family and children.

Darley invests heavily in housing and amenities so that we can provide attractive and appropriate living quarters and living standards to our employees and their families. Some 70 people (staff and their families including 17 children) permanently reside at Woodlands. Given this, Woodlands should be recognised as the small community that it is.

With respect to the proposed Drayton South mine, the Woodlands community will be living directly opposite the proposed open cut coal mine. They will be directly, and cumulatively, impacted by the open cut coal mine's operations and negatively affected by:

- blasting health impacts;
- dust impacts;

- visual impacts;
- noise, light and vibration;
- traffic and road safety issues;
- adverse impacts to water quality and quantity.

These are major concerns to both our business and the welfare and living standards of our employees.

It is our strong view that no mine should operate within a 10 kilometre radius of thoroughbred breeding studs and communities.

The operation of the Drayton South open cut coal mine within 1km of our stud and the community of people that live on the Darley Woodlands property is unacceptable.

Inadequate response to Darley's concerns

For many years Darley has consistently raised concerns regarding the:

- footprint of this proposed mining operation at Drayton South;
- proximity of the open cut coal mine to Darley's operations;
- visual impact of the Drayton South open cut coal mine to Darley's reputation and operations; and
- impact of this mine on our operations and to the community of people that reside on the Darley property.

Despite the rejection of the Drayton South mine on this site in October last year nothing in Anglo American's latest EIS provides any confidence that this EIS addresses Darley's concerns or the concerns that were expressed by previous PACs and the NSW Government's Gateway Panel.

There has been no genuine consultation with Darley in the development of this EIS. The EIS lacks transparency and relevant information to enable appropriate scrutiny of this proposal.

Conclusion

Darley Australia remains strongly opposed Anglo American's Drayton South open cut coal mining proposal which is situated less than 1km from Darley Woodlands historic and iconic operations in Denman.

Woodlands is located on strategic agricultural land in the equine critical industry cluster in the Upper Hunter Valley. Under the Government's strategic land use policy projects such as the Drayton South open cut coal mine should have been subjected to independent evaluation under the Government's new Gateway process. Despite the size, nature and impact on strategic agricultural lands the Drayton South open cut proposal was not referred to a Gateway Panel for a review of the impacts of this mine on the equine critical industry cluster.

Should the Drayton South open cut coal mine proposal be allowed to proceed, the visual, dust, noise, vibration, health, water, environmental and reputational impacts this proposal will have on our operations, and on the operations and reputation of other studs in the area and our entire industry, will be devastating.

It will jeopardise many hundreds of jobs associated with our industry and irreversibly damage our landscape and the economic diversity of our region.

A decision in favour of a mine on this site would undermine confidence in the planning assessment process and would unequivocally signal that the NSW Government is prepared to disregard the significant body of evidence that has already been submitted and decided by its independently appointed Government experts.

Importantly a decision in favour of Anglo American's Drayton South proposal would also signal that the Government is prepared to sacrifice our industry for the sake of one open cut coal mine that a previous PAC has determined is clearly not in the public interest.

Darley reiterates that no reasonable person would choose to acquire, invest in, upgrade or operate a thoroughbred breeding business in such close proximity to a coal mine.

It has been demonstrated beyond a doubt by 15 independent Government experts that mining and thoroughbred breeding in such close proximity are incompatible land uses.

Darley strongly objects to this open cut coal project. There is no substantive change in the material provided which ought to cause any independent assessment of it to alter the findings and decisions already made by the previous PACs. Should Anglo American's second application for the proposed Drayton South open cut coal mine proceed Darley will be forced to reconsider its commitment to its operations in NSW.

We submit that the Department not support the proposal and should recommend against its approval.